
**Economic Development,
Agriculture & Trade Committee**

HB 2202

Brief Description: Studying the impact of agriculture and food processing on the state's economy.

Sponsors: Representatives Kenney, Grant, Hinkle, Clibborn, Curtis, Linville, Eickmeyer, Newhouse, McCoy, Buri, Morrell, Kilmer, Chase, Pettigrew, Morris, Hudgins, Simpson, Conway and Santos.

Brief Summary of Bill

- Directs the Department of Agriculture to commission a comprehensive study of the economic impacts of the agriculture and food processing industries on Washington.

Hearing Date: 3/1/05

Staff: Meg Van Schoorl (786-7105).

Background:

Washington's agriculture and food processing industries are major contributors to the economy. According to the Washington Agricultural Statistics Service (WASS), in 2003 there were 35,500 farms producing crops with a total farmgate value of \$5.798 billion. The Department of Agriculture (WSDA) estimates that food processing is a \$12 billion industry, and, together with agriculture, is the state's largest employer. In a 1999 white paper titled "Consolidation and Change in the Washington Agri-Food Complex," Chase Economics estimated that agriculture, food and related support industries produced \$3.5 billion in wages and salaries, \$17.5 billion in sales (including \$5.1 billion in exports), and employed 183,000 people.

As part of the same white paper, the author concluded that: "While data exists on the food processing and agriculture sectors of the agri-food complex, adequate information is lacking on the important economic linkages amongst the various sectors within the entire complex. Additionally the existing data is inadequate to fully assess the economic impacts of concurrent trends upon the industry complex as a whole. The economic scope and scale of the complex needs to be further documented, including an analysis of the broad linkages of the complex with the broader economy along with an assessment of the important economic connections between urban and rural Washington."

Summary of Bill:

The Legislature recognizes that the agriculture and food processing industries contribute significantly to the state's economy, generating jobs, income and revenues in urban and rural communities statewide. However, a complete assessment of the value of these industries is needed to support good public policy and future planning.

The WSDA is directed to commission a comprehensive economic impact study of the food and agriculture industries, including: statewide and regional direct, indirect and induced impacts; multiplier effects on other sectors such as transportation, research and development, tourism, and manufacturing; growth trends of specific commodities and foods; and external events that are shaping the industries' economic performance. The study is due to appropriate committees of the Legislature on December 1, 2005.

Appropriation: The sum of \$100,000 General Fund - State.

Fiscal Note: Requested on February 24, 2005.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.